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Financial Regulations

1. Financial Management

Dudley Federation of Tenants and Residents Associations (DFTRA) a company limited by guarantee and managed by a Board of Directors.

The Directors are responsible for planning and monitoring finances in order to achieve the aims of the organisation, this includes ensuring that finances are not misused.

Funding for the running of the Organisation is currently solely received from Dudley Metropolitan Borough Council (DMBC). The money provided is for a restricted use as terms are laid out in the Service Level Agreement between DMBC and DFTRA.

1.1. Monitoring

Annual budgets are prepared by the Treasurer and approved by the Directors as well as members.

DFTRA currently enlist the services of an accountant to file accounts with Companies House as well as complete payroll, PAYE, NI and pension contributions. This is reviewed annually and approval from members is sought.

1.2. Information and communication

Directors are provided with financial updates at (typically monthly) board meetings and members (TRA groups) are updated at quarterly general meetings.

1.3. Directors' responsibilities

Directors are responsible for keeping accurate and up to date financial records, including:

- A cashbook which analyses all transactions appearing on the bank accounts, and a record of petty cash expenditure
- Details of all funds received
- Invoices and receipts for all payments
- Wage, PAYE and NI records including details of any pension contributions
- Ensuring that accounts for the previous year are submitted to the accountant by 1st June.

Directors are also responsible for ensuring that a reserve policy is in place which includes a financial exit plan should the organisation no longer have the funds to run.

Yearly accounts must be formally approved by members at the Annual General Meeting.

Directors are made aware of the risks of financial crime and monitor this regularly by checking bank transactions, policies are in place to control the access and storage of electronic information and computer systems are up to date and protected from external interference via a firewall.

Any Director accessing electronic banking is made aware of the importance of ensuring that security details are not compromised.

Directors must report any suspicious activity to other directors and take action as necessary.

2. Income

Public collections i.e. raffles are carried out in line with Schedule 11 of the Gambling Act 2005.

Dudley Federation is not required to register raffles as tickets are sold during meetings or events and winners are announced at the event. As well as this, no more than £100 is spent on organising costs and no more than £500 is spent on prizes.

Amounts raised are counted by two unrelated people and recorded.

3. Purchases and payments

Authorisation of expenditure rule: any necessary expenditure under £200 must be pre-approved by at least two directors in writing. Expenditure over £200 must be approved at a board meeting and recorded in the minutes or via email.

Value for money should always be checked, with 3 quotes to be obtained for payments over £200. Receipts must always be kept and recorded.

Directors

**Martin Smith (Chairperson), Stan Chance (Vice Chairperson), Christine Phillips (Treasurer)
Elaine Lloyd, George McClay, John Doughty, Tony Brain**



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3.1. Payments by cheque

This is not applicable at present.

3.2. Payments by debit card

This is not applicable at present as the bank mandate (two signatories) does not allow debit cards for signatories. Should a card payment be required, a bank transfer to the purchaser will be made for the required amount once agreed in accordance with the authorisation of expenditure rule above.

3.3. Payments by direct debits, standing orders, BACS direct credit and any other direct payments

Only signatories with authorisation can set up direct debits, standing orders and direct credits.

Any BACS/direct payments must have been approved by the board at the point of purchase in accordance with the authorisation of expenditure rule. When BACS/direct payments are made, two signatories must authorise either in person at the bank, or online.

When goods and services are no longer being supplied, any automatic payment arrangements are cancelled from the bank account.

3.4. Payments in cash

Where an amount of petty cash is kept by a staff or director, the amount must not exceed £500 (or in line with any current insurance policy).

All withdrawals must be carried out in accordance with the authorisation of expenditure rule and details of all payments must be recorded in the accounts.

3.5. Wages and salaries

Statutory deductions are made from employee wages and salaries and forwarded to HMRC via the accountant. The accountant is also nominated to complete and file end of year returns with HMRC which the Directors ensure is done by the deadline.

DFTRA complies with minimum wage legislation and has pension arrangements in place. There is currently one employee who has a contract of employment and is paid monthly by BACS.

3.6. Expenses and reimbursements

We recognise that volunteers can incur costs whilst carrying out their duties and it is reasonable to reimburse these costs.

Any duties carried out outside of 'regular duties' i.e. an ad-hoc event, must be discussed and approved with at least two other directors, preferably in a board meeting. Journeys which exceed 20 miles (one way) must be approved by a quorum of directors and recorded appropriately.

Expenses reimbursements are paid directly into bank accounts or from petty cash if necessary. Mileage rates are paid in accordance with HMRC approved rates.

Regular checks are carried out by someone other than the person who made the entry to ensure expenditure records are accurate and agree with the bank statements.

4. Assets and Investments

A fixed asset list is produced for our insurer and is updated annually upon renewal of the policy.

Records of bank accounts are kept secure and monitored to ensure no third party use.

Directors regularly review the costs of the bank accounts and ensure value for money.

Updated and agreed by the DFTRA board on: 10th June 2024.

Next review due by: July 2026.

Directors

Martin Smith (Chairperson), Stan Chance (Vice Chairperson), Christine Phillips (Treasurer)
Elaine Lloyd, George McClay, John Doughty, Tony Brain